

Can. Pros. *Winnipeg Consolidated Gold Mining Co.* *Robert Bell*

PROSPECTUS

OF THE

WINNIPEG

Consolidated Gold Mining Co.,

LIMITED.

CAPITAL \$1,000,000.

SHARES \$50 EACH.

HEAD OFFICE:

WINNIPEG, - MANITOBA

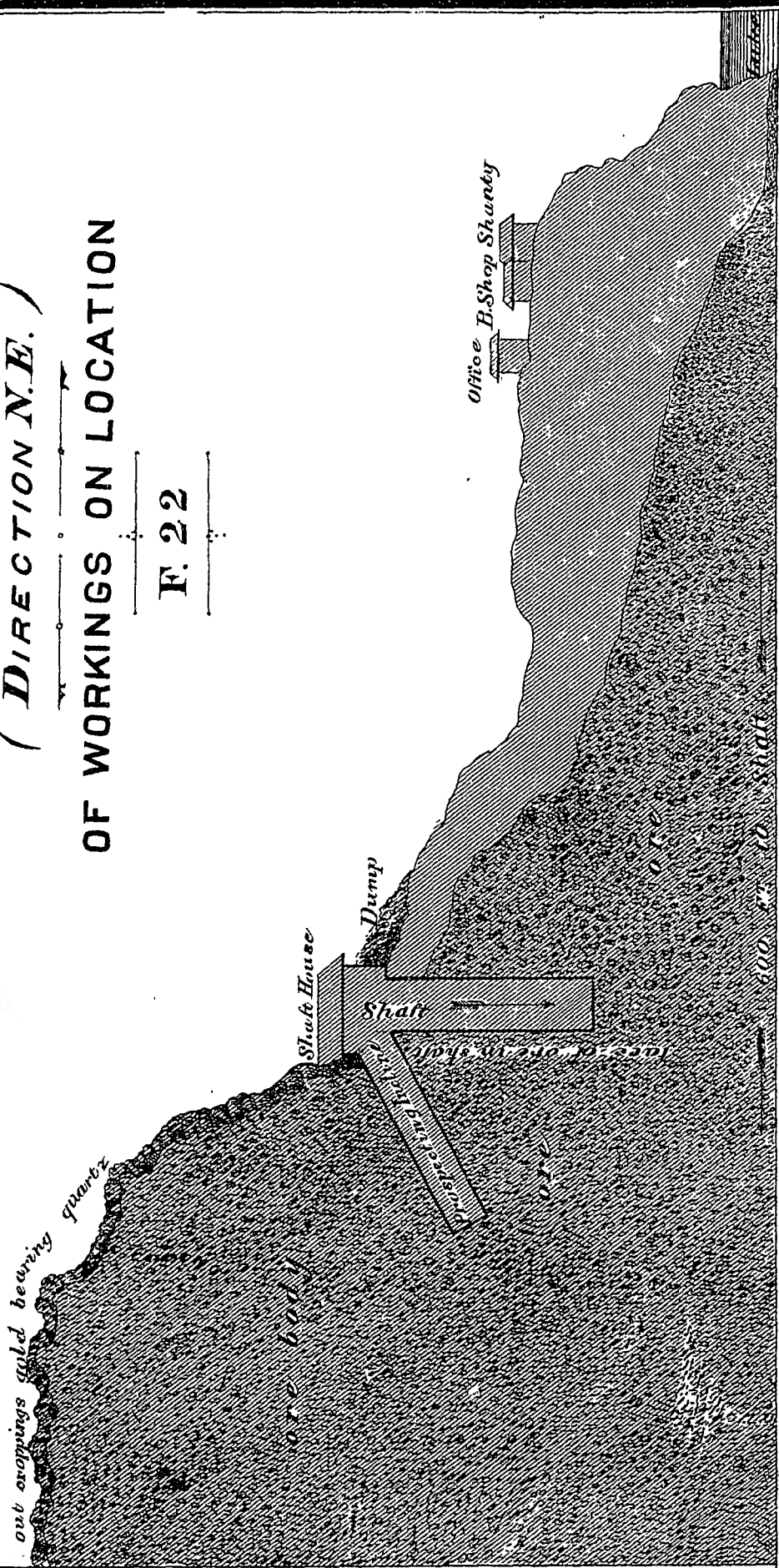
STEEN & BOYCE, PRINTERS

FREE HAND SECTIONAL VIEW

(DIRECTION N.E.)

OF WORKINGS ON LOCATION

F. 22



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The Winnipeg Consolidated Gold Mining Co.

(LIMITED.)

CHARTER APPLIED FOR UNDER THE LAWS OF THE
DOMINION OF CANADA.

CAPITAL \$1,000,000 — SHARES \$50.

DIRECTORS:

PRESIDENT:

ARTHUR WELLINGTON ROSS, M.P., WINNIPEG.

VICE-PRESIDENT:

HENRY N. RUTTAN, - - - WINNIPEG.

SECRETARY, - TREASURER:

JOHN B. BERRYMAN, - - - WINNIPEG.

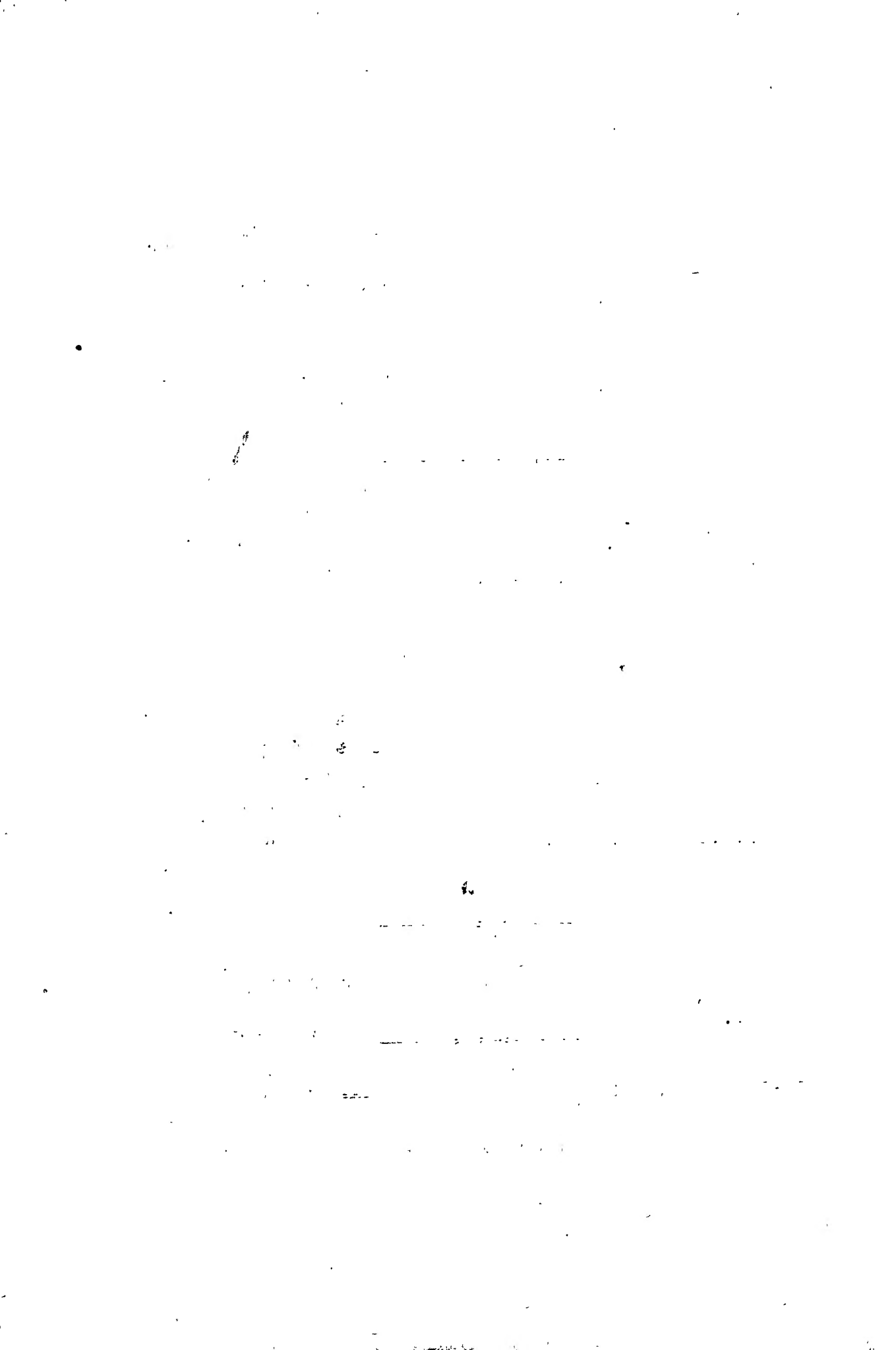
P. J. BROWN, " "

JOHN R. BROWN, " "

LOCATION OF MINES : Lake of the Woods, Keewatin.

Head Office Corner Portage Avenue and Notre Dame Street, Winnipeg, Man.

STEEN & BOYCE, PRINTERS.



PREFACE.

Before giving the Public details of the present workings of this Company, it may not be out of place, considering that the enterprise is a new one, to say a few words as to the location of the mines and general character of the country.

Mining locations numbered F. 22 and X. 82, upon which the Company is now working, are situated on the east shore of the Lake of the Woods, about sixteen miles south-east of the town of Rat Portage, and are in what is beginning to be known as the true mineral zone. This mineral belt seems to cross the Lake in almost a straight line running north-easterly as the same lodes or veins of quartz are found at Clear Water Bay, thirty miles distant, are found again on Hay Island and all intervening islands, and run into the main land through our property. The belt is supposed to be about six or seven miles broad and most of the mining claims have been taken up within it. Although all the properties within this section of the district are not of equal value, great differences existing between some of them, still the presence of such a defined belt places the existence of vast mineral deposits in this region beyond a doubt.

Until this summer the deposit there of mineral in paying quantities, was almost universally doubted, and no interest was taken in the properties, except by a few old miners who had a knowledge of their values. This year, however, a great change has taken place and several experts have made exhaustive investigations into the mining prospects of the region, all coming to the conclusion that the mineral wealth of the country cannot be overestimated.

Mr. John T. Nagle, a gentleman who has had some eleven years experience as Mining Superintendent in California and Nevada,

and one who has seen too much of the ups and downs of mining to be over-sanguine, stated to a representative of the Winnipeg COMMERCIAL that "he was perfectly satisfied with the prospects ahead, he had made four openings in the veins (Hay Island) and three of them showed rich pay streaks, the veins running in such a manner as to satisfy him that the deeper he went the richer he would find the rock. While the element of uncertainty is never wanting in gold mining, yet he never saw a country where there was less chance of failure than the Lake of the Woods mining belt."

Three other gentlemen of large experience in the mines of the United States, have also testified to the general richness of the formation, and as doctors and professional experts of all kinds are notorious for disagreeing, when they are unanimous there must "be something in it."

The character of the quartz is such as to permit of the greatest facility and economy in its treatment, the majority of the veins containing "free milling ore," and the compactness of the rock formation warrants the belief, that water, the miner's greatest enemy, will not flow in in sufficient quantities to necessitate the use of steam pumps. No country that has ever been prospected can offer more natural advantages than the district around the Lake of the Woods. Timber for mills, crib work, fuel, etc., can be obtained in abundance on the locations. A plentitude of good water can be had for all purposes. A trans-continental railway passes along the shores of the Lake, within easy distance of the mines, giving unequaled facilities for transportation. Labor and supplies are easily obtainable; and last, but not least, the work which has been already accomplished has placed the existence of vast mineral wealth beyond the shadow of a doubt.

He would be a far-seeing man, indeed, who would endeavor to calculate the inestimable value of these hidden treasures, which only require the application of energy and capital, to become the fountain head of fortunes, and one of the chief factors in the prosperity of the Dominion.

PROSPECTUS.

Believing that when mining is conducted on honest and economical principles, it is a legitimate enterprise, and comparatively as safe as any other, the Company begs to submit the following facts and figures for the consideration of the investing public. Having cash in the treasury and competent men on the grounds to work our mines, large amounts of money can be made rapidly and safely and on smaller investments than in any other business. First let us take

MINING AS AN INVESTMENT.

The Winnipeg COMMERCIAL, an independent commercial journal, which of late has been taking some interest in the mining affairs of the country, says in the issue of the 14th Nov., 1882: "There are great differences of opinion regarding the profits secured in different classes of investments, and not a few capitalists are rather sceptical regarding the average returns secured from those in mining undertakings. The huge fortunes made by many in such speculations are proof that cases of success are much more marked in connection with mining, than any other field, not excepting North-western real estate. * * * * To those who wish to ascertain the chances of good returns for money invested in mining generally, some figures on the subject may be of interest, and on this subject a recent number of the American MINING LEDGER, says of mining in the United States, 'For the thirty years ending 1880, the money invested in mining for the precious metals—buying mines, labor and machinery—is estimated at \$700,000,000. For this expenditure we have a return of values—values can be converted into cash at sight in mines—mills and actual cash received, of \$1,200,000,000, which is over 300 per cent. on the investment as actual profit. Over half of this profit has accrued within the past twelve years. The next five years ending in 1885 will show a product of \$2,000,000,000, with an expenditure of less than \$500,000,000 giving a net profit of over 500 per cent. in five years.' "

We might give one or two individual instances of colossal fortunes made by very small investments in mining enterprises. Lieutenant Governor Tabor, of Colorado, owes his fortune of \$5,000,000 and upwards, to an investment of less than \$50 in a mine. The late Lieut.-Gov. Robinson of Colorado owed his success to an investment of only \$18, which secured him an interest in the famous Robinson Mine, sold recently for \$2,000,000, also the following well known Colorado millionaires, viz: Hon. J. L. Routt, Judge Bowen, Senator Chaffee, Judge Pendery and many others living in all parts of the United States, who have become enormously rich from very small investments at the commencement of their careers.

It may be argued that the above immense fortunes were made, more by speculating in stocks, than by receiving actual dividends. While this may be true to a certain extent, still the Mining Companies must have been paying enormous dividends, if the stock rose so rapidly as to make millionaires of men a short time before comparatively poor.

So much attention has been attracted towards mining of late, that the experience gained has placed the industry on a more certain footing than ever before, and it will be found by any one who gives a little attention to the subject, that where mines had good prospects, and were conducted on a legitimate basis, they nearly always turned out good investments, if taken only as dividend paying concerns, and not counting the indirect return from the increased value of the stocks. Of course there have been a large number of "wild-cat" companies floated by irresponsible and unscrupulous adventurers, just as there were a number of worthless paper townsites sold during the Manitoba real estate "boom," but mining when managed as fairly as any ordinary business, will give much greater returns than any other class of investment without a corresponding increase in the risk. Taking into consideration the present splendid shewing of mineral, the Company do not consider it a too sanguine estimate to expect a return of twenty or twenty-five per cent. dividend during the next year.

Secondly we come to

OUR LOCATIONS.

The Company did not decide upon working locations F. 22 and X. 82, at hap hazard, but secured them after careful comparison with others on the Lake. Mr. John R. Brown, the Superintendent, a gentleman of large experience in mining, and formerly superintendent of the "Miner Boy," mine near Leadville, Col., spent three months this summer carefully going over and making assay tests of the various properties on the Lake. After careful comparison, he decided upon the above, and the Company now hold them fully paid for and clear of incumbrance. The property consists of two hundred and sixty-nine acres, the formation being seamed with ore bearing veins of all sizes. Those on F. 22 carrying free milling quartz, requiring treatment, which will be at once simple, expeditious and economical, while the ore on X 82, although requiring more elaborate treatment, will, owing to the magnitude of the pay streak, become especially valuable.

The following is a copy of Mr. Brown's last report on the mine.

The Mines of the Winnipeg Con. G. M. Co.,
LAKE OF THE WOODS,
Dec. 11th, 1882.

To the Directors

Winnipeg Con. Gold M. Co.,

GENTLEMEN,—I herewith beg leave to submit to you the following report of the work done on our properties, since my arrival in the beginning of October of this year.

On commencing regular operations, I found it difficult to choose at once from the many veins which out-cropped throughout the whole of the locations. After a careful and thorough exploitation of some of the most promising veins, I have decided upon the location of two shafts and an incline with the following results :

Upon the first of these properties, Location F. 22, at a distance of about six hundred feet from the water's edge and at a place where the country rises abruptly to a height of about seventy feet, I discovered a vein which out-cropping at the foot of this ledge and rising with the cliff, presented a well defined quartz vein, exposed for about five hundred feet while a few cross cuts in the wash showed that it was regular for some

distance further. These out-croppings in every instance when tested showed free gold in fair quantities. The width of this vein on the surface was from four to ten inches, accompanied by a gangue of talcose slate of about the same width. Here I started an incline and ran in with the vein about twenty-four feet, in order to ascertain the probable future character of the ore.

The result was far beyond my anticipations. Where I commenced to drift in the vein was from four to six inches, of good pay rock. It gradually increased in width until it reached a maximum of about fifteen inches while becoming richer at every foot, carrying as well an equal width of talcose slate which had now increased also in value, from its contact probably with the richer portion of the vein. The total width of the vein in the incline, from wall to wall is about thirty inches to three feet. I append notes of several assays made while driving this incline :—

5 feet from mouth of incline,	gold per ton,	\$87.85
“ “ “ “ “ “ “ “		62.01
“ “ “ “ “ “ “ “		113.63
9 to 11 “ “ “ “ “ “ “ “		62.01
“ “ “ “ “ “ “ “		51.67
“ “ “ “ “ “ “ “		144.69
12 feet “ “ “ “ “ “ “ “		82.68
13 “ “ “ “ “ “ “ “		46.51
13 to 24 feet, 6 assays from	\$31 to \$103.35 per ton.	

Twenty-five lbs. of this ore crushed in a large mortar gave a result equal to \$63 to the ton of free milling gold.

Feeling now justified in the further development of this property, I commenced a shaft near the mouth of the incline. Everything so far is eminently satisfactory. I am now down about twenty-five feet. The vein is being continually augmented by the addition of numerous feeders of quartz and is now in its narrowest part about fifteen inches in width, while it shows in one place a width of thirty inches. I refer to what is known as the pay streak, which is on the hanging wall. The gangue of slate which is also increasing in width, averages from \$8 to \$10 to the ton free milling gold, and will all be utilized for milling purposes with considerable profit. The walls of the vein are well defined, very regular and unbroken, with an incline of seventy degrees, while the width from wall to wall is a few inches under five feet. Some of my tests of quartz from this shaft, at different times, give returns of from \$48 to \$191 to the ton, free gold. As I have sent in specimens of the

rock for assay and mill tests, I have no doubt that the returns from these will corroborate my own results.

This pay streak, I may mention, is composed of celular or honey comb quartz, so much decomposed as to make it necessary to sack it. Depth seems to make no difference in the character except that it is both wider and richer as we descend. Very little silver is perceptible and I have in no instance been able to discover more than a trace.

On location X. 82 I started another shaft which is now down some fifteen feet on a well-defined vein of about four feet wide, which carries both silver and gold from the surface down. While much free gold was found on the surface of this vein, depth shows the ore to be slightly refractory and requiring different treatment from the ordinary free milling process. The ore in the vein is now in the form of sulphurets. Assays made are not high but in my opinion this property has a good prospective value and will in time probably equal the first.

Assays made by me :—

Highest, Gold, per ton,	\$48.23
Silver “ “	15.40

\$63.63

others \$9.57 to \$40.00.

My surface improvements are so far of the most primitive description. A log house 28x24 for the men, Office 14x12, Blacksmith Shop and two Shaft Houses compose the whole at present, as I thought it better to devote all my energies to the development of the mine, rather than to the erection of elaborate buildings, which can come at a future date.

Yours Respectfully,

(Signed) JNO. R. BROWN, Manager.

Desiring to have an intelligent and unbiased opinion about the mining properties on the Lake of the Woods, this Company and the Keewatin Mining Company arranged with the Winnipeg daily papers to send reporters out with the Companies' representatives, to view and report upon their several locations. Below we give a few extracts from the report which appeared in the TIMES of the 13th December:

* * * * * “Your correspondent decided to throw in his chances with the party destined for the Winnipeg Consolidated, and pushed forward to Big Stone. We had a hard piece of travelling in the dark, but our pilot knew the way, and though in the blinding snow we had to make a slight detour for safety, we struck the Winnipeg

Consolidated camp in good time, and were received heartily by Mr. J. R. Brown, a son of Winnipeg's city clerk, who is superintendent of the works. After refreshments, the party sat up chatting until the hour for rest, when weary bones found repose on buffalo robes stretched on the floor. We were up betimes next day, and, while awaiting the arrival of the Keewatin party, paid a visit to the closer of the two shafts being sunk by Mr. Brown. Having gained assurance from running an incline that he had located his shaft on the best spot, Mr. Brown began sinking in earnest, and as one is lowered by a rope down into the cavernous depths, if he be capable of thinking of anything else than his own safe arrival on the floor beneath, it is that Mr. Brown has been most industrious during the past two months. Without pretending to a specialist's erudition in mineralogy, your correspondent knows enough to enable him to say with confidence that the Winnipeg Consolidated have in this shaft a fine property. The footwall is excellent and the vein is wide, the pay streak being rich and well defined. The ore is decomposed and therefore will be easily worked by free milling. Exceptionally good pieces of ore will run away up into the hundreds when assayed; the average ore will assay \$100 to the ton, so that in milling a return of at least \$40 a ton may be calculated upon with certainty. The mine is well located, being only a few hundred yards from the beach, where I suppose the company intend to erect their stamp mill, which will at first be operated with fifteen stamps. A tramway from the mouth of the shaft to the mill can easily be constructed, timber strong enough for the purpose and for other mining needs being plentiful on the location. After the arrival of the Keewatin party early in the afternoon, they having lost two hours by wandering into the Pipe Stone narrows instead of holding to the left, so to make Big Stone, they were shown the closer of the two shafts first described, and the joint party proceeded inland for about half a mile to the upper shaft, which is being sunk under contract, the rate being \$15 a foot. The quartz in this shaft is a hard iron-grey ore, which carries gold and silver, assaying on an average over \$50 a ton. To treat this ore completely on the spot, would require the erection of over \$100,000 worth of machinery, so it is Mr. Brown's intention to concentrate and ship the ore. This will cost perhaps \$2 a ton, and will leave a very large margin for profit. There can be no possibility of doubt that in these two shafts the Winnipeg Consolidated have a fine property, on which mining can be carried on upon commercial princi-

ples, and with all the certainty of a manufacturing industry. Mr. Brown has been getting out wood for underground work, and has erected shelter over the mouth of the shafts, without which running at this season of the year would be well nigh impossible. In his office, Mr. Brown has many rich specimens of ore, with a record of their assays, and your correspondent is sorely tempted to put some of these on record, but as mining should be conducted as a purely commercial non-speculative business I content myself with recording general impressions and making deductions from the evidence before me, which I think can be realized by thorough work in all departments. In Mr. Brown I am satisfied that this company possesses a superintendent who understands his business, and possesses the required energy to carry his operations to a successful issue. After dinner on Sunday a portion of the party struck out for Rat Portage, having a journey before them of at least fourteen miles through heavy snow over a lake more bewildering than a maze. Your correspondent, who desired to make an especially minute examination of the Keewatin property, left the party off Heenan's Point, and made his way into the Hay Island camp, where superintendent Nagle at once placed himself at my disposal.

* * * Mr. Nagle is not naturally an enthusiast, nor is Mr. Brown of the Consolidated, and it is reassuring to hear them both declare that not only are they satisfied with their properties, but that Nevada, Colorado and California have never shown such magnificent opening. "To pay from grass roots" is considered marvellous out west; but here are two mines that not only pay, but pay well from "grass roots."

* * * It would be quite easy for your correspondent to extend the record of his observations upon the mines of the Winnipeg Consolidated and the Keewatin companies, but what has been stated are hard facts, and satisfy me that not only is work being prosecuted in dead earnest, but the prospects are so brilliant that they require caution rather than enthusiasm in describing them.

Thirdly, we wish to show tests that have been made by outside disinterested parties and so come to the

ASSAYS.

The first specimen was taken near the surface of the incline, in F. 22, and was sent to Mr. J. S. Phillips, Mineral Assayer and

Metallurgist of No. 8 Beach St. New York, who replied as follows:—

To Mr. BROWN, NEW YORK, Oct. 28th, 1882.

Your sample of rusty quartz has yielded at the rate of \$158.40 of gold per ton. The gold is in a free milling condition.

(Signed) J. S. PHILLIPS,"

The next specimen was from the same incline.

“CERTIFICATE OF ASSAY.

Office of the Canada Assaying Co.,
No. 2 McDermott St.

WINNIPEG, Man., 18th Nov., 1882.

Deposited by Winnipeg Cons. M. Co.

1. Specimen Free milling rusty quartz:

Description metal,	{ Gold - - -	\$83.17
weight per 2,000 lbs value in coin.	{ Silver - - -	traces
Total - - - -		\$83.17

I certify that the above is my assay of Specimen No. 1.

(Signed) G. WM. WALLS, Assayer.

The fourth test was of a pound and a half of rock, from the shaft, sent to the Assay Department of the MINING RECORD, 61 Broadway, New York, and resulted as follows:—

“Assay Department of the MINING RECORD,

(Fuller & Stillman,) 61 Broadway,

NEW YORK, Dec. 1st, 1882.

Report on sample of ore Assayed: For Winnipeg.

We find the ore as represented by sample, to contain per ton of 2,000 lbs. avoirdupois:

Gold.	Silver.
300 dwts.	— ounces.

Value per 2,000 lbs. \$309.

Total net value \$309.

(Signed) Thos. B. Stillman.

The fifth test was of a piece of rock taken about fifteen feet from the surface of the shaft on location X. 82:

“CERTIFICATE OF ASSAY.

Office of the Canada Assaying Co., No. 2 McDermott St.,

WINNIPEG, Man., 14 Dec., 1882.

Specimen No. A. 73; Shaft X. 82.

Deposited by Winnipeg Cons. G. M. Co., Winnipeg, Man.

Description: Gold bearing, partially decomposed quartz, with small per centage pyrites.

Value in coin: Gold - - \$60.04

Silver - - 7.42

Total - \$67.47

I certify that the above is my assay of specimen No. 2.

(Signed) G. WM. WALLS, Assayer.

The sixth assay was of a piece taken twnty-five feet below the surface on location F. 22.

"CERTIFICATE OF ASSAY.

Office of the Canada Assaying Co.,

No. 2 McDermott St.

WINNIPEG, Man., 14 Dec., 1882.

Specimen No. A. 74. Deposited by Winnipeg Cons. M. Co., Winnipeg. Description: Free milling, rusty. Metal: Auriferous quartz, with traces of iron pyrites.

Value in coin: Gold - - \$106.92

Silver - - traces.

Total - - \$106.92

I certify that the above is my assay of specimen No. 3.

(Signed) G. WM. WALLS, Assayer.

This gives an average for five outside assays of \$144.99 free milling gold per ton, and over a \$100 for sixteen assays made outside and at the mines.

Your attention is next invited to a

MILL TEST

of 50lbs of ore shoveled up indiscriminately from the bottom of the incline, about twenty feet from the surface. This was put in a sack and expressed to Mr. Walter Hamilton, of the Hamilton Reduction Company of New York, to be crushed and the gold worked out by the ordinary milling process.

The difference between this test and an assay is, that the latter is a SCIENTIFIC ANALYSIS of the ore, while the former is an ACTUAL WORKING TEST.

" Walter Hamilton, Mineralogist and Assayer,
120 William St.,

New York, Nov. 4th, 1882.

Deposited by J. R. BROWN,
Winnipeg, Manitoba.

DESCRIPTION.	METAL.	WEIGHT OF METAL PER TON OF 2,000 LBS.		VALUE IN CO PER TON.	TOTAL
Working test by amalga- mation, of 50 lbs. of ore, rec'd from you by express.	Gold	dwts.	grs,		
	Silver	75	00	\$77.25	\$77.25
		a trace			

I certify that the above is my report of Assay of the sample
of free milling quartz.

(Signed) WALTER HAMILTON, Assayer.

Enclosed gold button result of above workings."

The gold button mentioned is at the office of the Company,
weighs forty-five grains and has been pronounced by Jewellers
to be unalloyed virgin gold of the best quality.

That the above average assay and return from the mill test is
a very high one, may be seen by glancing at the following re-
turns of some of the most valuable mines of the United States.
All of them except the Keystone are now milling steadily, and
giving good results. We compile the list from the New York
Mining Record of December 9, 1882:

Bodie Consolidated Mine, California, average assay value of pulp,
\$74.78 per ton.

Keystone	"	Georgia,	"	"	36.00	"
Moulton	"	Montana,	"	value	40.00	"
Penobscot	"	Dakota,	"	"	5 to 6	"
Robinson	"	Colorado,	"	"	50.00	"
Silver Bond,	"	Montana,	"	"	40.00	"
Tecumseh,	"	Utah,	"	"	30.00	"
The West	"	S. Carolina,	"	"	10.00	"

If the above mines can be made to pay, contending as they
do, with all the difficulties of mountain transportation, water in
the shafts and levels, and a high rate for labor and supplies,
surely the future of this company, situated in a country where
nature seems to have done everything in aid of the miner, cannot
but be splendid and profitable.

It has been calculated that the ore on location F 22 can be

mined and milled for from \$7 to \$9 per ton at the outside; if we place the value of the rock at less than one half of the average assay, say \$50 per ton, it will leave a net profit of \$41 per ton over and above working expenses.

By the spring the development work will have proceeded far enough to enable us to keep a twenty stamp mill in continual operation, and crush about 30 tons per day.

The ore on location X 82 being more refractory will have to be concentrated and shipped for treatment. This concentration will embody the value of five tons into the bulk of one; that is, one ton of concentrates will equal the value of the five tons taken to produce it, estimated at \$150. Deduct the cost of mining, concentrating, smelting and transportation, and it will leave a net profit of about \$100 on every ton of concentrates produced.

The Company have offered to lease, for a short term, the five stamp mill now upon Boulder Island, within a short distance of their claims. Although this mill is totally inadequate to the requirements of the Company, it will serve to make tests as the work of development progresses, and probably crush a small amount of ore during the winter, the bullion returns from which will materially tend to advance the price of stock.

Only a limited amount of non-assessable working, or treasury stock will be put on the market at present, the proceeds of which will be devoted to the further development of the properties, the purchase of machinery, etc.

Nothing more quickly attracts foreign capital than the discovery of large deposits of the precious metals, and the North-west mining "boom" will doubtless eclipse even the great movement in the real estate market.

From the facts and figures given above, the public can decide upon the merits of the company, remembering that the price of stock will steadily advance as the work of development progresses.

Further particulars may be obtained by mail or upon application to the Secretary at the office of the Company.